

HOME BUILDERS ASSOCIATION OF CONNECTICUT. INC.

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Is Our
Business

March 8, 2011

To:

Senator John W. Fonfara and Representative Vickie Orsini Nardello, Co-Chairs,

Members of the Energy & Technology Committee

From:

Bill Ethier, Chief Executive Officer

Re:

HB 6544, AAC Energy Efficiency

The HBA of Connecticut is a professional trade association with 1,100 member firms statewide, employing tens of thousands of Connecticut citizens. Our members, all small businesses, are residential and commercial builders, land developers, home improvement contractors, trade contractors, suppliers and those businesses and professionals that provide services to our diverse industry. Our members build 70% to 80% of all new homes and apartments in the state each year. We also created the HBACT Green Homes Council and run the Build Green CT program.

We have not had sufficient time to fully analyze HB 6544 since it came out last week and due to many other bills in other committees competing for our attention. Nonetheless, we offer preliminary comments on two sections.

We oppose section 1's mandate on home sellers to evaluate the energy consumption of their homes as a precondition to sell their homes. Through education, marketing and the continual advancement of technology, products and building construction techniques, energy efficiency improvements are constantly marching forward. Voluntary market acceptance, where people make decisions in their own self-interest, will advance the cause of achieving higher energy efficiency goals more effectively than statutory or regulatory mandates.

We urge you to rethink the proposed strategy in section 1 of the bill that forces on every home seller a potentially costly mandate. We promote green building practices to the industry and consumers, exhibit at trade shows and home shows, sponsor green building and energy efficiency seminars, provide competitive awards to green home builders, and work to ensure that measured and reasonable advancements in building codes are adopted. The HBA of CT was one of the first 10 HBAs in the nation, out of 800+ local and state HBAs, to formerly endorse the National Green Building Standard (NGBS), to date still the only ANSI approved green building standard in the nation. Even the highly marketed LEED green rating systems have not achieved the ANSI distinction. Through all this work, we know that consumers come to the table with a variety of concerns and needs. It's one thing to have, for example, an Energy Star rating for a set of appliances. It's quite another to force home sellers to rate their own homes as a precondition to selling it.

Also, a new regulatory mandate on the transfer of a home is harmful to a residential marketplace that is struggling to recover from a prolonged recession. New home permits in CT for 2009 and 2010 are the lowest two years on record, and 2011 is not starting off well. Sales of existing homes have also been depressed. Given today's heightened awareness of energy costs and the growing, yet constantly changing, knowledge base of green building practices, we urge you to trust the instincts of home buyers to make their own self-interested decisions about a home's energy consumption without placing mandates on sellers.

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We also strongly oppose section 5 of HB 6544 that would allow municipalities to adopt local construction requirements. One of the few strengths of CT's regulatory system is that we have had a statewide building code since 1970 that cannot be varied by municipalities. This statewide code provides consistency and certainty to everyone involved in the construction of buildings, including homes. Building officials, architects, engineers, licensed trades, general and subcontractors all play by the same rules. If you allow municipalities to start varying our statewide code, you will establish a precedent that will begin to erode this consistency and certainty. Please do not allow local variance for construction requirements.

Our objections are mirrored by the Energy Star program itself. See from the Energy Star web site (emphasis added):

"An Above-Code Program

Note that, while there are great benefits in sponsoring an ENERGY STAR for New Homes program in your area, ENERGY STAR is an above—code program and is not meant to be adopted as a local code by cities or municipalities. If you're interested in promoting energy efficient buildings through the implementation of advanced codes, consider adopting the 2009 ICC International Energy Conservation Code® (IECC), including blower door and duct blaster diagnostic tests as part of your local building inspection process, and fully enforcing existing energy codes. View a list of ideas on how local governments can make the most of ENERGY STAR as an above—code option. (71KB)"1

Connecticut this year will adopt the 2009 International Energy Conservation Code (IECC), which is roughly a 15% improvement in energy efficiency over the 2006 IECC (currently the code in CT). And, in the next model code cycle, we already know that the 2012 International Residential Code (IRC), by which all one and two family homes are built, will reference (i.e., in code language that means require) the use of the 2012 IECC, which is roughly an additional 15% improvement in energy efficiency over the 2009 IECC. These 2012 model codes are still in draft form, and once published the CT Codes and Standards Committee will take them up for review. We believe this measured, carefully considered and constantly improving building code process is the reasonable way to advance energy efficiency goals.

The list of incentive ideas referenced above by Energy Star is attached. These are all incentives that could be created either by the state or municipalities to encourage more homes to be built to Energy Star standards. But mandating Energy Star standards defeats the purpose of the Energy Star program itself of being an "above-code" program.

The Energy Star standard referenced in Section 5 is constantly changing, since the program tries to keep ahead of constantly changing building codes. So, which version of Energy Star does the bill hope to implement? The training mechanisms for the latest version, ver. 3, to be adopted later this year, are not yet in place and may not be in time, creating an irreconcilable conflict between a mandated standard and the lack of necessary training.

¹ http://www.energystar.gov/index.cfm?c=bldrs lenders raters.nh local government

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Requiring an Energy Star standard versus allowing the IECC to be implemented through the State Building Code process would disrupt the construction and home sales process.

Finally, we believe the emphasis on improving the energy efficiency of new homes is misplaced for two reasons. First, as noted above, new construction is constantly being improved by the code adoption cycle. Second, and more importantly, any increase in energy efficiency that goes above code will have an insignificant, at best, impact on the total greenhouse gas emission reduction targets in the state. Greenhouse gas emissions include emissions from autos and other transportation facilities, from all existing buildings, from all industrial and commercial operations, as well as all other human activities. The contribution to CO2 emissions from all existing residential uses amounts to 21.1%, while industrial uses equal 30%, transportation equals 31.2% and commercial uses equal 17.7%. And, of all residential uses, most of the CO2 emissions come from single family and multifamily housing built prior to 1991. All housing built between 1991 to 2001 contributed 2.5% of the total fossil fuel consumption in the nation, which can be roughly correlated to contributions toward CO2 emissions.

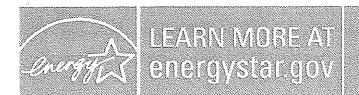
Energy consumption in homes has steadily and significantly been decreasing over time. The average energy consumption per home (in California where this study was conducted) has steadily decreased with each decade.

- Homes built in the 1970s had an average energy consumption of over 160 kBTU/sqftyear, while
- the average for all homes built in the 1980s was 80 kBTU/sqft-year,
- in the 1990s was just over 60 kBTU/sqft-year, and
- the 2000s has been 40 kBTU/sqft-year.

Energy consumption by new housing that will be built under the 2009 IECC is, of course, unknown but it will clearly be improved over the housing built in the 2000s and will be much less than the 2.5% of all fossil fuel consumption experienced by housing built between 1991 – 2001. Thus, the difference in the contribution to total CO2 emissions and fossil fuel consumption in our society by new housing built to the 2009 IECC versus the Energy Star standard is insignificant. Moreover, the effects of occupant behavior on energy consumption can be significant regardless of the statutory or building code requirement, which could marginalize further any marginal gains in energy efficiency achieved by the proposed legislation.

Therefore, without commenting at this time on the remainder of HB 6544, we urge you to delete sections 1 and 5 of the bill. Thank you for the opportunity to comment on this legislation.

Attachment (Energy Star's proposals for market-based incentives)



ENERGY STAR*, a U.S. Environmental Protection Agency program, holps us all save money and protect our environment forough energy efficient products and practices. For more information, visit www.senergystarguv.

Want to take advantage of market-based opportunities that result in a preference for ENERGY STAR qualified homes in your market? Consider adopting more of these policies and initiatives:

1. Prioritize Code Processing for ENERGY STAR Qualified Homes Through:

- Discounted or Delayed Permitting Fees
- Increased Density Allowances
- Expedited Plan Approvals
- Prioritized Field Inspections

Visit http://bcap-ocean.org/ for resources for promoting energy efficiency through code processing.

Consult the ENERGY STAR Web site's Partner Locator for a list of regional

partners to connect with.

2. Facilitate Incentives for ENERGY STAR Homebuilders and Homebuyers with Regional Partners through:

- Discounted Utility Hook-up Fees
- Discounted Utility Bills (e.g., 10%)
- Discounted Mortgage Interest Rates
- Discounted Home Insurance Rates
- Promotion of Energy Efficient Mortgages with Local Financial Institutions

3. Provide Recognition for ENERGY STAR Builder Partners by:

- Featuring Local ENERGY STAR builder partners on your Community Web Site
- Sponsoring a Parade of ENERGY STAR Qualified Homes
- Hosting an awards banquet for ENERGY STAR builder partners
- Incorporating ENERGY STAR into Your Local MLS Listing

4. Offer Free/Subsidized Technical <u>Training</u> on Building Science and Energy Efficiency Topics:

- Home Energy Rater trainings to nurture the HERS rating infrastructure
- Real Estate Agents and Appraisers trainings on the value of energy efficiency in a home

5. Educate Consumers on the Features and Benefits of ENERGY STAR Qualified Homes:

- Direct them to the ENERGY STAR Web Site at www.energystar.gov and the ENERGY STAR Home Energy Yardstick
- Sponsor Education at Home Shows
- Publish Marketing Information/Articles in Media
- Distribute free ENERGY STAR publications

For support, email us at energystarhomes@energystar.gov